

THE PRESIDENT'S INTELLIGENCE CHECKLIST

**ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY**

27 AUGUST 1963
~~**TOP SECRET**~~

1. South Vietnam

a. Troops remain in control of strategic points in major towns, although the government appears eager to restore an appearance of normality.

b. There are further indications that the army is not in complete charge of security operations, as would be expected under normal martial law.

c. Ambassador Lodge reports numerous comments by Vietnamese that the government's repressive measures would not have been possible without US equipment. An accompanying implication, Lodge adds, is that only the US has the power to end the present situation and oust Diem.

d. Saigon and Phnom Penh have broken diplomatic relations. South Vietnam's next move may be to close the Mekong River to Cambodian traffic. This would cause an almost immediate pinch in the POL situation, and a substantial curtailment of Cambodian exports.

e. Meanwhile, we have been searching for indicators that the Communists plan to exploit the situation in some way, but so far Viet Cong activity remains at a fairly low level. A battalion-strength attack in the north on 21 August looks to be unrelated.

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2. India

a. The ministerial transfers announced Saturday appear to us merely to put different hats on the same key personalities. Nehru's power has not been undermined.

b. In order to meet strong pressures for a "rejuvenation" of the Congress Party, six ministers, including the most influential men after Nehru, were moved from the cabinet to party posts.

c. The new party assignments have not been announced, but [redacted] ex-
[redacted] Home Minister Shastri will become party president, and ex-Finance Minister Desai chairman of the party parliamentary board.

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d. This leaves the power positions of Shastri and Desai, the leading contenders for Nehru's place, undisturbed.

3. Malaysia

a. Colonial Secretary Sandys, now visiting Malaya, says that Britain will make no more concessions regarding Malaysia.

b. Sandys told our ambassador in Kuala Lumpur on Monday that the Filipinos seem to be trying to comply with the UN observer compromise. The Indonesians have not yet come completely into line.

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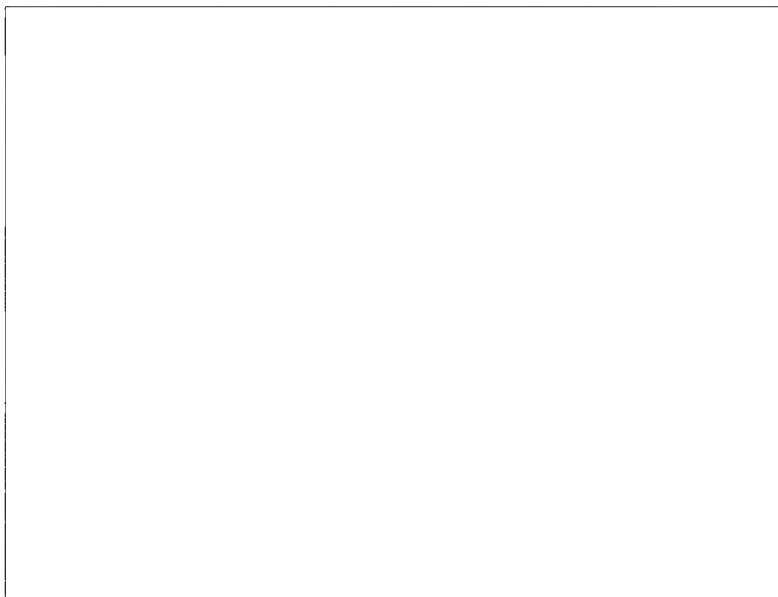
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c. The Colonial Secretary expects the road ahead for Malaysia to be rough, but he feels that any further concessions would cause the British and Malayan position to deteriorate seriously.

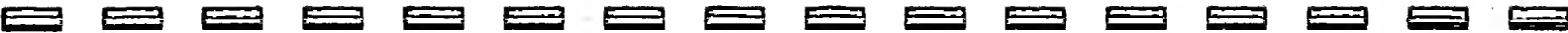
d. The arrival of a UN survey team in Sarawak today sparked a riot by an estimated 3,000 Chinese, but the team apparently went on with its business. We are not sure whether this is a local Chinese sideshow or part of the Indonesian opposition activity.

4. Cuba

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NOTES

A.

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- B. UAR-Asia Egyptian recognition of North Korea on Sunday is the first step in implementation of a policy to recognize "the divided nations of Asia."

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- C. Yemen-UK Our embassy in Taiz fears sporadic shooting along the Yemen-Aden border will soon produce another nasty incident. Yemen accused Britain yesterday of shelling two Yemeni villages, and made noises about appealing to the UN.

- D. Laos Some sort of negotiations with the Pathet Lao may yet come off. Phoumi Vongvichit, Communist minister of information in the coalition government, returned to Vientiane yesterday, after an absence of four months. He says he has "full powers" to negotiate for Souphannouvong. Pathet Lao military forces, however, are continuing to maintain pressure in widely scattered areas despite the general lull caused by the heavy rains.

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- E. West Germany Bonn is considering a request from the Ruhr steel industry for an immediate tariff increase on steel from countries outside the European Coal and Steel Community. German officials have acknowledged that the increase--from 6-8 percent to 10-12 percent--might hurt the Kennedy Round tariff talks, although Bonn "hoped" to minimize the damage by making the increase only temporary.